

BEFORE THE PUBLIC DISCLOSURE COMMISSION  
OF THE STATE OF WASHINGTON

IN RE COMPLIANCE	)	
WITH RCW 42.17	)	
	)	PDC CASE NO: #04-383
COMMITTEE FOR A	)	
RESPONSIBLE MAJORITY	)	REPORT OF INVESTIGATION
	)	
<u>Respondent.</u>	)	

I.  
BACKGROUND

- 1.1 On December 1, 2003, the Public Disclosure Commission received a complaint from Kurt Fritts, Executive Director of the Senate Democratic Campaign Committee, alleging violations of RCW 42.17.080 and 42.17.090 by the Committee for a Responsible Majority (hereafter CFARM). The complaint alleges that CFARM failed to timely file contribution and expenditure reports.
- 1.2 CFARM last amended its registration on August 14, 2000 and listed Patrick Connor, III as Executive Director and Walter H. Bell as treasurer. Mr. Connor began signing CFARM's reports with the C-4 report filed for the period beginning January 1, 2001 and has continued to do so through the present.
- 1.3 In October 2002, PDC staff learned that CFARM was giving contributions to candidates and had not filed contribution or expenditure reports since October 2000. Staff contacted Mr. Connor and requested that CFARM file the reports that were due at that time and had not been filed. CFARM filed C-3 and C-4 reports on October 31, 2002 reporting activity that occurred during November 1, 2000 through and including October 31, 2002.

II.  
SCOPE

- 2.1 Staff reviewed the complaint letter received December 1, 2003.
- 2.2 Staff reviewed the response received from Patrick Connor III on December 15, 2003.

- 2.3 Staff reviewed PDC reports filed by CFARM during the period November 2000 through and including December 2003.

III.  
LAW

- 3.1 RCW 42.17.080 and 42.17.090 require political committees to file frequent and regular detailed reports of contribution and expenditure activities. Specifically, RCW 42.17.080 states, in part:

....

(2) At the following intervals each treasurer shall file with the commission and . . . the county in which the treasurer resides, a report containing the information required by RCW 42.17.090:

(a) On the twenty-first day and the seventh day immediately preceding the date on which the election is held; . . .

(c) On the tenth day of each month in which no other reports are required to be filed under this section: PROVIDED, That such report shall only be filed if the committee has received a contribution or made an expenditure in the preceding calendar month and either the total contributions received or total expenditures made since the last such report exceed two hundred dollars. . . .

(3) For the period beginning the first day of the fourth month preceding the date on which the special or general election is held and ending on the date of that election, each Monday the treasurer shall file with the commission and the appropriate county elections officer a report of each bank deposit made during the previous seven calendar days. . . .

- 3.2 RCW 42.17.640 states, in part:

....

(11) . . . [N]o political committee that has not received contributions of ten dollars or more from at least ten persons registered to vote in Washington state during the preceding one hundred eighty days may make contributions reportable under this chapter to a candidate. . . .

- 3.3 RCW 42.17.105 states, in part:

(1) Campaign treasurers shall prepare and deliver to the commission a special report regarding any contribution or aggregate of contributions which: Is one thousand dollars or more; is from a single person or entity; and is received during a special reporting period.

Any political committee making a contribution or an aggregate of contributions to a single entity which is one thousand dollars or more shall also prepare and deliver to the commission the special report if the contribution or aggregate of contributions is made during a special reporting period.<sup>1</sup>

- (a) Each of the following intervals is a special reporting period: . . . (i) The interval beginning after the period covered by the last report required by RCW 42.17.080 and 42.17.090 to be filed before a primary and concluding on the end of the day before that primary; and (ii) the interval composed of the twenty-one days preceding a general election.

(3) Except as provided in subsection (4) of this section, the special report required by this section shall be delivered electronically or in written form, . . . to the commission within forty-eight hours of the time, or on the first working day after: The contribution of one thousand dollars or more is received by the . . . treasurer . . .

#### IV. FINDINGS

- 4.1 On December 1, 2003, the Public Disclosure Commission received a complaint from Kurt Fritts, Executive Director of the Senate Democratic Campaign Committee, alleging violations of RCW 42.17.080 and 42.17.090 by Committee for a Responsible Majority (CFARM). The complaint alleges that CFARM failed to timely file contribution and expenditure reports. **(Exhibit 1)**
- 4.2 CFARM is a political committee that has been registered with the PDC and required to file reports of contribution and expenditure activities dating back to at least July of 1996
- 4.3 On December 15, 2003, Patrick Connor III, then Executive Director of CFARM submitted a response to the complaint. **(Exhibit 2)**

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<sup>1</sup> Effective January 1, 2002, the special reports reporting threshold was increased from “over \$500” to \$1,000.

- 4.4 CFARM filed C-3 and C-4 reports on October 31, 2002 reporting activity that occurred during November 1, 2000 through and including October 31, 2002. The reports filed October 31, 2002 ranged from 2 to 689 days late. **(Exhibit 3)** CFARM also filed its November 2002 reports on December 17, 2002, 7 days late. C-FARM's contribution and expenditure activities that occurred from November 1, 2000 through October 31, 2002 are detailed in the chart below.

**Summary of CFARM Reporting for November 1, 2000 through October 31, 2002**

- 4.5 For the period November 1-December 31, 2000, CFARM raised a total of \$4,500 in contributions and made expenditures totaling \$8,869.00. CFARM made no political contributions during that period, but paid Patrick Connor \$7,500 in consulting expenses. For the period November 1-December 31, 2000, CFARM should have filed two C-4 reports and two C-3 reports as detailed below. The C-3 and C-4 reports were filed between 660-690 days late.

**C-4 Reports For November 1-December 31, 2000**

<b><u>C-4 Report</u></b>	<b><u>Period Covered</u></b>	<b><u>Date Due</u></b>	<b><u>Date Filed</u></b>	<b><u>Days Late</u></b>
Post election C-4	Oct. 31–Nov. 30, '01	12/11/2000	11/1/2002	690
Dec. 2000 C-4	Dec. 1–31, '00	1/10/2001	11/1/2002	660

**C-3 Reports For November 1-December 31, 2000**

<b><u>C-3 Report</u></b>	<b><u>Amount of Deposit</u></b>	<b><u>Date Due</u></b>	<b><u>Date Filed</u></b>	<b><u>Days Late</u></b>
C-3: 11/00 deposit	\$3,000.00	12/11/2000	11/1/2002	690
C-3: 12/00 deposit	\$1,500.00	1/10/2001	11/1/2002	660

- 4.6 For calendar year 2001, CFARM raised a total of \$7,000 in contributions and made expenditures totaling \$2,197.27. CFARM made political contributions totaling \$800 during 2001 that included 2-\$300 contributions to the SRCC, and 2-\$100 contributions to legislative candidates for the 2002 election cycle. For calendar year 2001, CFARM should have filed eight C-4 reports and three C-3 reports as detailed below. The eight C-4 reports were filed between 295-599 days late, and the three C-3 reports were filed between 295-392 days late.

**C-4 Reports For Calendar Year 2001**

<b><u>Report</u></b>	<b><u>Period Covered</u></b>	<b><u>Date Due</u></b>	<b><u>Date Filed</u></b>	<b><u>Days Late</u></b>
Jan. & Feb. C-4	Jan. 1–Feb. 28, ‘01	3/12/2001	11/1/2002	599
March & April C-4	Mar. 1-Apr. 30, ‘01	5/10/2001	11/1/2002	540
May & June, 21- Day Pre-Primary C-4	May 1-Aug. 21, ‘01	8/28/2001	11/1/2002	430
7-Day Pre-Primary C-4	Aug. 22-Sept. 10, ‘01	9/11/2001	11/1/2002	416
21- Day Pre-General C-4	Sept. 11-Oct. 9, ‘01	10/16/2001	11/1/2002	381
7- Day Pre-General C-4	Oct. 10-Oct. 29, ‘01	10/30/2001	11/1/2002	367
Post election C-4	Oct. 30-Nov. 30, ‘01	12/10/2001	11/1/2002	326
December C-4	Dec. 1-31, ‘01	1/10/2002	11/1/2002	295

### **C-3 Reports For Calendar Year 2001**

<b><u>C-3 Report</u></b>	<b><u>Amount of Deposit</u></b>	<b><u>Date Due</u></b>	<b><u>Date Filed</u></b>	<b><u>Days Late</u></b>
C-3: 9/28/01 Deposit	\$2,000.00	10/5/2001	11/1/2002	392
C-3: 11/01/01 Deposit	\$1,500.00	12/10/2001	11/1/2002	326
C-3: 12/01/01 Deposit	\$3,500.00	1/10/2002	11/1/2002	295

- 4.7 For the period January 1-October 28,2002, CFARM raised a total of \$12,610 in contributions and made expenditures totaling \$14,839.50. CFARM made political contributions totaling \$10,825.00 for the 2002 elections that included fifteen contributions to legislative candidates and a contribution to the SRCC. For the period January 1-October 28,2002, CFARM should have filed seven C-4 reports and five C-3 reports as detailed below. The seven C-4 reports were filed between 3-264 days late, and the five C-3 reports were filed between 18-116 days late.

### **C-4 Reports For January 1-October 28,2002**

<b><u>Report</u></b>	<b><u>Period Covered</u></b>	<b><u>Date Due</u></b>	<b><u>Date Filed</u></b>	<b><u>Days Late</u></b>
January C-4	Jan. 1-31, ‘02	2/10/2002	11/1/2002	264
Feb., March, April & May C-4	Feb. 1-May 31, ‘02	6/10/2002	11/1/2002	144
June C-4	June 1-30, ‘02	7/10/2002	11/1/2002	114
21-Day Pre-Primary C-4	July 1-Aug. 20, ‘02	8/27/2002	11/1/2002	66
7- Day Pre-Primary C-4	Aug. 21-Sept. 9, ‘02	9/10/2002	11/1/2002	52
21- Day Pre-General C-4	Sept. 10-Oct. 8, ‘02	10/15/2002	11/1/2002	17
7- Day Pre-General C-4	Oct. 9-Oct. 28, ‘02	10/29/2002	11/1/2002	3

### **C-3 Reports For 2002**

<b><u>C-3 Report</u></b>	<b><u>Amount of Deposit</u></b>	<b><u>Date Due</u></b>	<b><u>Date Filed</u></b>	<b><u>Days Late</u></b>
C-3: 7/1/02 Deposit	\$1,500.00	7/8/2002	11/1/2002	116
C-3: 7/19/02 Deposit	\$2,000.00	7/22/2002	11/1/2002	102
C-3: 9/5/02 Deposit	\$500.00	9/9/2002	11/1/2002	53
C-3: 9/13/02 Deposit	\$110.00	9/16/2002	11/1/2002	46
C-3: 10/9/02 Deposit	\$3,000.00	10/14/2002	11/1/2002	18

- 4.8 CFARM filed reports for the period ending November 30, 2002 and then stopped filing reports until the complaint was filed on December 1, 2003. On December 15, 2003, CFARM filed reports covering December 1, 2002 through November 30, 2003. The reports filed December 15, 2003 ranged from 5 to 280 days late. (Exhibit 4)

#### **Summary of CFARM Reporting for December 1, 2002 through November 30, 2003**

- 4.9 For the period December 1, 2002-November 30, 2003, CFARM raised a total of \$5,175 in contributions and made expenditures totaling \$5,724.73. CFARM made political contributions totaling \$5,000 for the period elections that included contributions to a legislative candidate for the 2003 special election, four \$625 contributions to legislative candidates for the 2004 primary, and to the SRCC. For the period December 1, 2002-November 30, 2003, CFARM should have filed six C-4 reports and three C-3 reports as detailed below. The six C-4 reports were filed between 5-280 days late, and the three C-3 reports were filed between 5-280 days late.

#### **C-4 Reports For December 1, 2002-November 30, 2003**

<b><u>C-4 Report</u></b>	<b><u>Period Covered</u></b>	<b><u>Date Due</u></b>	<b><u>Date Filed</u></b>	<b><u>Days Late</u></b>
Dec. '02, Jan & Feb. C-4	12/1/02 – 2/28/03	3/10/2003	12/15/2003	280
March, April, May, June & 21-day Pre-primary C-4	3/1/03 – 8/19/03	8/26/2003	12/15/2003	111
7-day Pre-primary C-4	8/20/03 – 9/8/03	9/9/2003	12/15/2003	97
21-day Pre-General C-4	9/9/03 – 10/7/03	10/14/2003	12/15/2003	62
7-day Pre-General C-4	10/8/03 – 10/27/03	10/28/2003	12/15/2003	48
Post-election C-4	10/28/03 – 11/30/03	12/10/2003	12/15/2003	5

#### **C-3 Reports For December 1, 2002-November 30, 2003**

<b><u>C-3 Report</u></b>	<b><u>Amount of Deposit</u></b>	<b><u>Date Due</u></b>	<b><u>Date Filed</u></b>	<b><u>Days Late</u></b>
C-3: 2/11/03 Deposit	\$ 375.00	3/10/2003	12/15/2003	280

C-3: 10/21/03 Deposit	\$4,170.00	10/27/2003	12/15/2003	49
C-3: 11/12/03 deposit	\$ 500.00	12/10/2003	12/15/2003	5

- 4.10 The following chart summarizes CFARM's late-reported activity occurring between November 1, 2000 and November 30, 2003:

Year	Contributions & Other Receipts	Expenditures	Contributions to Candidates and Other Committees
Nov/Dec 2000	\$ 4,500.00	\$ 8,869.00	\$0
2001	\$ 7,000.00	\$ 2,197.27	\$ 800.00
2002	\$ 12,610.00	\$ 14,839.50	\$ 10,825.00
Dec. 2002- Nov. 2003	\$ 5,175.00	\$ 5,724.73	\$ 5,000.00
<b>TOTAL</b>	<b>\$ 29,285.00</b>	<b>\$ 31,630.50</b>	<b>\$ 16,625.00</b>

- 4.11 CFARM failed to file a number of Last Minute Contribution report (LMC report) as required for contributions they received, and contributions they made to a number of candidates. An LMC report should have been filed for a \$700 contribution received September 15, 2000. The LMC report was due September 18, 2000. CFARM instead reported receiving this contribution on a C-3 report filed September 22, 2000. CFARM failed to file an LMC report for eighteen pre-Primary Election contributions totaling \$13,200 given September 16, 2000. The LMC report was due September 17, 2000. CFARM instead reported giving these contributions on a Schedule A to a C-4 report filed September 22, 2000. **(Exhibit 5, p. 1)**

- 4.12 CFARM failed to file an LMC report for three contributions totaling \$7,200 received between October 19 and November 6, 2000. An LMC report for a \$1,200 contribution received on October 19, 2000 was due October 23 and an LMC report for a \$5,000 contribution received on October 27, 2000 was due October 30. CFARM instead reported receiving these two contributions on a C-3 report filed November 3, 2000. An LMC report for a \$1,000 contribution received November 6, 2000 was due November 8, 2000. CFARM instead reported receiving the contribution on a C-3 report filed October 31, 2002. CFARM failed to file an LMC report for a \$3,000 contribution given October 12, 2000, seven contributions totaling \$4,200 given October 17, 2000, and four contributions totaling \$4,800 given October 18, 2000. In each case, an LMC was due within 24 hours of giving the contribution; CFARM instead reported making

these contributions on a Schedule A to C-4 report filed November 3, 2000.  
**(Exhibit 5, p. 2)**

- 4.13 CFARM failed to file an LMC report for a \$1,000 contribution it received on November 4, 2002. The LMC report was due November 6, 2002. CFARM instead reported receiving the contribution on a C-3 report filed December 16, 2002. **(Exhibit 5, p. 3)**
- 4.14 In addition, PDC staff also reviewed whether or not CFARM had received at least \$10 from at least 10 registered Washington voters during the 180 days before making the fourteen contributions to legislative candidates between November 29, 2001 and September 5, 2002 (although this was not alleged by the complainant). Staff asked CFARM to identify which contributions it had received that made the committee eligible to contribute to legislative candidates. In the response submitted by CFARM, they identified eleven individuals who had given \$10 or more to CFARM, thus making the committee eligible to contribute to legislative candidates.
- 4.15 On January 10, 2004, PDC staff received a letter from Patrick Connor III **(Exhibit 7)**

Respectfully submitted this 11<sup>TH</sup> day of March, 2004.

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Lori Anderson  
Political Finance Specialist

**EXHIBIT LIST**

- Exhibit 1**      Complaint letter received December 1, 2003.
- Exhibit 2**      Letter received December 15, 2003 from Patrick Connor III, Executive Director of the Committee for a Responsible Majority.
- Exhibit 3**      C-3 and C-4 reports filed by CFARM on October 31, 2002 and reports summary created by PDC staff
- Exhibit 4**      C-3 and C-4 reports filed by CFARM on December 15, 2003 and reports summary created by PDC staff
- Exhibit 5**      Last Minute Contributions summary created by PDC staff
- Exhibit 6**      Summary of contributions CFARM made to legislative candidates between November 29, 2001 and September 5, 2002 and Schedule A to C-4 reports reporting contributions given
- Exhibit 7**      January 10, 2004 letter from Patrick Connor III to PDC staff